



INDIANA UTILITY REGULATORY COMMISSION
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--PUBLIC NOTICE--

July 1, 2005

The Indiana Utility Regulatory Commission is pleased to announce the hosting of an educational seminar on RTOs. The program entitled "RTO 101" will be held on Monday, July 11 and Tuesday, July 12 at the following locations and times:

- Monday, July 11 from 1:00 to 5:00
Indiana Government Center South Conference Room B
- Tuesday, July 12 from 9:00 to 12:00 noon
MISO Office in Carmel, IN

This program has been developed for the Organization of MISO States (OMS) with a grant from the Lawrence Berkeley National Lab and the US Department of Energy. OMS is conducting this training throughout the MISO footprint. The training will be conducted by Mr. John Chandley of LRCG who has extensive expertise in the field of electricity market design. Topics to be covered will include:

- Understanding System Operations
- RTO Spot Markets
- Locational Marginal Pricing
- Financial Transmission Rights
- Resource Adequacy within an RTO Framework

JOSEPH M. SUTHERLAND, CHIEF OPERATING OFFICER
TO THE INDIANA UTILITY REGULATORY COMMISSION

RTO 101 Agenda

Monday, July 11 @ 1:00pm Indiana Government Center South Conference Room B

Session 1: Understanding System Operations

- System operations, dispatch and reliability
- Control areas and interconnections
- Loop flows, contract paths and TLRs
- Using regional dispatch to replace TLRs and improve reliability
- Inter-RTO coordination and Joint/Common Markets
- How the construct provides “open, comparable transmission access”

Session 2: RTO Spot Markets

- How the dispatch creates a spot market
- How bilaterals and self schedules are handled
- Day-ahead and real-time markets – two settlement systems
- How the structure supports real-time pricing and retail choice

Session 3: Locational Marginal Pricing (LMP)

- Theory and rationale
- Alternatives to LMP – history and examples
- LMP examples and observations

Session 4: Financial Transmission Rights (FTRs)

- Why “financial” and not “physical” rights
- How FTRs work
- How FTRs are allocated/acquired
- Issues in FTR allocation

Tuesday, July 12 @ 9:00 MISO Office (Lakeside A)

Session 5: Resource Adequacy in an RTO Framework

- Theory, merits and issues with “energy-only” market-clearing approaches
- Market power and price caps
- Issues with current ICAP approaches
- LICAP and demand curves: Mechanisms to solve ICAP issues
- New approaches in New York, ISO-NE and PJM (RPM)
- Path A vs. Path B: Can MISO make Path A work?